

Hearing Date: March 22, 2007  
Hearing Time: 10:00 a.m. (Prevailing Eastern Time)

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
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DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
	:	(Jointly Administered)
Debtors.	:	
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DEBTORS' SUPPLEMENT TO SUPPLEMENTAL OBJECTION  
TO LEAD PLAINTIFFS' SUPPLEMENTAL PLEADING IN FURTHER  
SUPPORT OF MOTION FOR LIMITED MODIFICATION OF AUTOMATIC STAY

Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby respectfully submit, with respect to the Lead Plaintiffs' Motion For A Limited Modification Of The Automatic Stay filed on November 15, 2005 (Docket No. 1063) (the "Motion"), this supplement to the Debtors' Supplemental Objection to the Motion filed on March 19, 2007 (Docket No. 7344) (the "Supplemental Objection").

The Supplemental Objection opposed the Motion on two independent and separate grounds: first, that the Motion remains premature because the Debtors had recently filed a motion for reconsideration of the order lifting the stay of litigation pending motions to dismiss in securities actions imposed by the Private Securities Litigation Reform Act ("PSLRA"); and second, that the lifting of the PSLRA stay does not constitute cause for relief from the Bankruptcy Code's automatic stay and that Lead Plaintiffs have not otherwise shown cause for relief from the automatic stay.

The United States District Court for the Eastern District of Michigan earlier today denied the Debtors' motion to reconsider lifting the PSLRA stay. A copy of the opinion is attached as Exhibit A. The Debtors accordingly withdraw the portion of the Supplemental Objection which contends that any ruling on the Motion would be premature.

The Motion, however, should nevertheless be denied because the Lead Plaintiffs have failed to show cause for relief from the automatic stay. As explained in the Supplemental Objection, the "undue prejudice" standard for relief from the PSLRA stay is substantively different than and distinct from the "cause" standard for relief from the automatic stay. Although Lead Plaintiffs argue that the finding of undue prejudice under the PSLRA constitutes cause under section 362(d) of the Bankruptcy Code, a consideration of the Sonnax factors quickly dispels that notion and demonstrates in this case that there is no cause for lifting the automatic stay.

Dated: New York, New York  
March 21, 2007

Respectfully submitted,

SKADDEN, ARPS, SLATE, MEAGHER  
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